

## Speaker Registration/Testimony

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Meeting Date 03-22-2017  
Council/PH Committee Council  
Agenda Item Bill 31 (2017)  
Your position on the matter Oppose  
Representing Organization  
Organization Embassy Suites by Hilton waikiki beach walk  
Do you wish to speak at the hearing? No

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Testimony of Simeon Miranda  
General Manager  
Embassy Suites by Hilton Waikiki Beach Walk

RE: Bill 31 (2017)

Chair Menor and members of the Honolulu City Council:

Embassy Suites by Hilton Waikiki Beach Walk represents approximately over 200 tax paying hosts and managers that work at our 369 full service all suite property for many years (we just celebrated our 10 year anniversary). We strongly oppose Bill 31 (2017) which establishes the real property tax rates to fund the budget of the City and County of Honolulu for the Fiscal Year beginning July 1, 2017.

The hotel and resort tax rate classification is presently the highest class in the City and County of Honolulu and we refuse the proposal to raise the current hotel and resort property tax rate by 50 cents from the current \$12.90 per \$1000 of assessed value to \$13.40 per \$1000.

We as valued citizens of the City and County of Honolulu oppose Bill 31 due to the following:

1. Industry competitiveness – to compete with other destinations, especially lower prices destinations – we cannot continue to pass on tax increases to our visitors while concurrently dealing with our states high cost of living.
2. Economic slowdown – significant signs are pointing to an economic slowdown. Construction cost are at all time high and because of that projects are being stalled i.e. Outrigger Reef development project.
3. Impact on Hawaii's workforce – Cost of doing business in Honolulu and making

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equitable profits is not the same as previous years. Increase in taxes would produce extra burden on our hotels i.e. cutting operational expenses and workforce. Hawaii hospitality industry is the number one private sectors employer in the state and highest taxed economic sectors, further levies would cause less jobs, cutbacks, with less incentives and ultimately less profits.

4. Government spending – this is the area where administration should look at cutting spending rather than increasing taxes.

5. Transient Vacation Rentals – The city and county of Honolulu need to put most of their efforts in finding ways in obtaining the uncollected money from taxes from guests staying in these vacation rentals. Their failure to pay the general excise and transient accommodation taxes is the biggest reason why we are missing out on tens of thousands of dollars that can help with the deficit rather than increasing real estate property taxes.

6. High property value – Real estate values have increased 10-15 percent. The additional tax revenue already produces higher property values and an active real estate market, is to further increase d by raising the tax rate for hotels and resorts , in effect giving the city another 3.9 percent increase.

7. State Legislature Proposal - the imposition of the surcharge on county real estate taxes to underwrite pay increases for public school teachers - this would further increase the burden on taxpayers across the state.

Please consider our opposing remarks and not pass Bill 31. In order to remain cost – complete with other destinations, the city and county of Honolulu cannot view our industry as source of endless wealth for government and must maintain our status as a true destination for all visitor's from all over the world for many years to come.

Mahalo,

Simeon Miranda

Testimony

Attachment

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